

Standard Questions for Applicants Seeking Local Exchange Service Authority

1. Is your company seeking any waivers or variances of certain Commission rules and regulations in this proceeding that pertain to local exchange service? Please provide evidence as to why your company is seeking any waiver or variance.

Yes, CityNet is seeking a waiver of Part 710 and Section 735.180 of Part 735. CityNet requests to be allowed to maintain its books under Generally Accepted Accounting Principles (GAAP) as opposed to the Uniform System of Accounts for Telecommunications Carriers ("USOA"). CityNet is a relatively new company that has never operated in a rate of return environment and is not subject to jurisdictional separations and other accounting methods traditionally applicable to the incumbent LECs. Without a waiver, CityNet would be required to maintain two sets of books, an extremely onerous requirement, especially since GAAP accurately reflects CityNet's operations.

2. Will your company comply with 83 Illinois Administrative Code Part 772, Pay-Per-Call Services, including Part 772.55(a)(1), Billing and Part 772.100(d) Notices?

No. Because Applicant does not intend to provide voice or dial tone services, Part 772 does not apply to Applicant. However, if Applicant offers voice or dial tone service in the future, it will comply with Part 772.

3. Will your company comply with 83 Illinois Administrative Code Part 705, Preservation of Records of Telephone Utilities?

Yes.

4. Will your company abide by 83 Illinois Administrative Code Part 735, "Procedures Governing the Establishment of Credit, Billing, Deposits, Termination of Service and Issuance of Telephone Directories for Telephone Utilities in the State of Illinois"?

Yes.

5. Who will provide customer repair service for your company?

CityNet will provide its own repair services. When necessary, CityNet will supplement its resources with independent contractors.

6. How many people does the company employ?

57 employees

7. Will your company meet the requirements as they pertain to the Telephone Assistance Programs imposed by Sections 13.301 and 13.301.1 of the Illinois Public Utilities Act and 83 Illinois Administrative Code Part 757?

Yes. However, at this time, CityNet will not offer voice or dial tone services to end users, therefore these sections are not presently applicable. However, should Applicant provide voice services to end users in the future, CityNet will fully comply with Sections 13.301 and Part 757.

8. Will your company solicit, collect, and remit the voluntary contributions from its telephone subscribers to support the Telephone Assistance Programs?

Yes. At this time, however, CityNet will not offer voice or dial tone services to end users. However, should Applicant provide voice services to end users in the future, it will solicit, collect and remit the voluntary contributions from its subscribers to support the Telephone Assistance Programs.

9. Does your company plan on filing to become an Eligible Telecommunications Carrier?

No.

10. Does the company realize that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier?

Yes.

11. Will your company offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP)?

No. CityNet does not intend to provide dial tone or voice service to end users. However, if Applicant provides voice or dial tone service to end users in the future, it will offer all of the waivers associated with the UTSAP.

12. Will your company abide by the regulations as prescribed in 83 Illinois Administrative Code Part 755, "Telecommunications Access for Persons with Disabilities," 83 Illinois Administrative Code Part 756 "Telecommunications Relay Service," and Sections 13-703 of the Illinois Public Utilities Act?

Yes, but CityNet does not intend to provide dial tone or voice service to end users. However, if Applicant provides voice or dial tone service to end users in the future, it will abide by regulations in Part 755, 756, and Section 13-703 of the Illinois Public Utilities Act.

13. Will the company's billing system be able to distinguish between resale and facilities-based service for the collection of the ITAC line charge?

Yes.

14. Has your company signed and return the Universal Telephone Assistance Corporation ("UTAC") and the Illinois Telecommunications Access Corporation ("ITAC") to Commission staff?

No. CityNet has not signed and returned the UTAC and ITAC forms to Commission staff as of the date of this filing.

15. How does your company plan to solicit customers once it begins to provide local service?

CityNet will solicit customers through a direct sales force, the use of authorized agents, and partnerships with other service providers.

16. Has your company provided service under any other name?

No.

17. Have any complaints or judgements been levied against the company? (In-state, out-of-state, or FCC).

No.

Appendix B

9-1-1 Questions for Applicants Seeking Local Exchange Service Authority

1. Will your company ensure that 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

2. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

3. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

4. Who will be responsible for building and maintaining the 911 database for your local exchange customers?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

5. How often will your company update the 911 database with customer information?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

6. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

7. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

8. Will your company's proposal require any network changes to any of the 911 systems?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

9. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

10. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?

Yes, however, CityNet will not provide voice or dial tone service to end users. In the event that Applicant provides voice or dial tone service to end users in the future, Applicant will abide by all rules concerning the provision of 911 services.

Financial Questions for Applicants Seeking Local Exchange Service Authority

1. (Answer if requesting waiver of Part 710) What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?

CityNet is a relatively new company that has never operated in a rate of return environment and is not subject to jurisdictional separations and other accounting methods traditionally applied to the incumbent LECs. CityNet currently maintains its books and records in accordance with GAAP, which accurately reflects CityNet's operations.

2. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?

Yes.

3. Will applicants accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?

Yes.

4. Will applicants accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?

Yes.

5. Will applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?

Yes.

6. Does the accounting system currently in use by applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?

Yes. CityNet maintains detailed information for the computation of Illinois taxes in its Sales accounts, Accounts Receivable, and Tax accounts.

7. If a waiver of Part 710 is granted, will applicant provide annual audited statements or all periods subsequent to granting of the waiver?

Yes.

8. Does applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?

Yes.

9. Please attached a copy of applicant's chart of accounts.

Please see Exhibit E, which has been filed under seal.

Prepaid Service Questions for Applicants Seeking Local Exchange Service Authority

1. Will customers have the ability to sign up with any long distance company they choose?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

2. Will customers have the ability to use dial around long distance companies?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

3. Does the applicant have interexchange authority in Illinois? If yes, please provide the docket number.

Not at this time, but CityNet is seeking exchange authority concurrently with this Application.

4. Will customers have access to the Illinois Relay Service?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

5. Will customers be able to make 1-800 calls for free?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

6. Will the Company offer operator services?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service.

Applicant does not plan to offer prepaid service at any time in the future.

7. Please describe how applicant plans to collect the monthly fee to be paid in advance.

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

8. Will customers' monthly bills show a breakdown of services, features, surcharges, taxes, etc.?

Yes. However, initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

9. Will customers pay an installation fee? If yes, will payment arrangements be offered for the installation fee?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

10. Will telephone service be in the Company's name or the customer's name. If in the Company's name how will information appear in data bases, such as 9-1-1, directory assistance, etc.?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

11. Will applicant offer prepaid service as a monthly service or as a usage service?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

12. Will applicant provide a warning when the remaining value of service is about to cease?

CityNet does not plan to offer a prepaid service at any time in the future. Initially,

CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

13. Is the customer given more than one notice of the remaining value of service?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

14. How much advance notice is given to the customer of the remaining value of service?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

15. If the customer is in the middle of a call will they be disconnected when the remaining value of service has expired?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

16. Has the customer been made aware of potentially being disconnected during a call when the remaining value of service expires?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

17. When does the timing of a call start?

CityNet does not plan to offer a prepaid service at any time in the future. Initially,

CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

18. If the person called does not answer, is any time deducted from the customer's account?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

19. Will there be any other instances in which the Company would disconnect a customer, other than running out of prepaid time?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

20. When a customer runs out of time is their phone immediately disconnected or on suspension?
(Will they still be able to receive calls?)

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

21. Are applicant's services available to TTY callers?

Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

22. How will the applicant handle a complaint from a customer who disputes the amount of time used or remaining?

CityNet does not plan to offer a prepaid service at any time in the future. Initially, CityNet will not offer voice telecommunications services to end users. However, in the future, CityNet may offer voice telecommunications services to end users if economically feasible. If CityNet does offer voice telecommunications services in the future, the Applicant agrees to abide by all rules and regulations promulgated by the Commission in regards to the offering of voice grade dial tone service. Applicant does not plan to offer prepaid service at any time in the future.

23. The Public Utilities Act requires a local calling area that has no time or duration charges. How will the Company define each customer's untimed local calling area?

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